

MEMORANDUM OF UNDERSTANDING

BETWEEN

SAN MATEO COUNTY HARBOR DISTRICT

AND

TEAMSTERS UNION LOCAL NO. 856



July 1, 2023 - June 30, 2028

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MEMORANDUM OF UNDERSTANDING
between
SAN MATEO COUNTY HARBOR DISTRICT
and
TEAMSTERS UNION LOCAL NO. 856

This Memorandum of Understanding (MOU) is entered into pursuant to the provisions of Section 3500 et seq. of the Government Code of the State of California.

The San Mateo County Harbor District and Teamsters Union Local No. 856 have met and conferred in good faith regarding wages, hours, and other terms and conditions of employment for the Employees in said representation unit and have freely exchanged information, opinions, and proposals and have reached agreement on all matters relating to the employment conditions and Employer-Employee relations of such Employees.

This MOU shall be presented to the Board of Harbor Commissioners of the San Mateo County Harbor District for its consideration and approval as the joint recommendation of the undersigned parties for salary and Employee benefit adjustments for the five-year period commencing July 1, 2023 ending June 30, 2028.

SECTION 1. RECOGNITION

1.1 Union Recognition:

TEAMSTERS UNION LOCAL NO. 856 hereinafter referred to, as the "Union" is the recognized Employee organization for the administrative staff to include Accountant, Deputy Board Secretary, Administrative, Financial, and Human Resources Technician, Administrative Analyst, Administrative Technician.

1.2 District Recognition:

The General Manager, or any person or organization duly authorized by the General Manager, is the representative of the San Mateo County Harbor District, hereinafter referred to as the "District", in Employer-Employee relations.

SECTION 2. DEFINITIONS

2.1 Call Back

Anytime an Employee is called back to work outside of scheduled working hours. Simply working beyond a scheduled shift is not considered call back.

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2.2 Extended Illness Bank (EIB)

Accrued hours, held in an Individual Employee Account, designed to ensure continuity of pay during time off for a short or long-term illness or injury.

2.3 Family Member

Spouse, significant other, domestic partner, father, mother, children, (including biological, adopted, stepchildren, foster children, or a child to whom the employee stands in loco parentis), brother, sister, grandmother, grandfather, father-in-law, mother-in-law, sister-in-law, brother-in-law, or grandchildren.

2.4 Flextime:

A system of working a set number of hours with the starting and finishing times requested by an employee and approved by the supervisor.

2.5 Overtime

All authorized time worked by an employee in excess of the Employee's regularly scheduled workdays, or in excess of forty (40) hours in the Employee's workweek. Flextime is not "overtime"

2.6 Paid Time Off (PTO) Bank

Individual Employee account containing accrued hours designated for use to ensure continuity of pay during periods of time off.

2.7 Paid Time Off (PTO) Plan

The Paid Time Off (PTO) plan is a benefit designed to provide the Employee with paid personal time away from work to maintain continuity of pay.

2.8 Promotional Probation

A probationary period following a promotion.

2.9 Workweek

The District's workweek is defined as Sunday at 0000 hours (midnight) through Saturday at 2359 hours (11:59 PM).

SECTION 3. UNION SECURITY

3.1 Fair and Non-discriminatory Representation

The Union agrees that it has the duty to provide fair and non-discriminatory representation to all employees in all classes in the units for which this section is applicable regardless of whether the employees are members of the Union.

3.2 Notification to the Union

3.2.1 New Employee

The District, for each new hire, shall notify the Union of the work, home, and personal cellular telephone numbers, work and personal email addresses and home address on

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file. The notification shall also include the employee's job classification, job title, department, work location and date of hire. Notice shall be provided to the Union within thirty (30) calendar days of hire, or by the first pay period of the month following hire.

3.2.2 Transfer or Promoted Employee

The District shall provide to the Union the information listed in 3.2.1 for each employee promoted or transferred. This notice shall be provided within thirty (30) days following the promotion/transfer.

3.2.3 Four Month Notification

The District shall provide the Union the information listed in Section 3.2.1 for all employees in the bargaining unit at least every 120 days.

3.3 Communication with Employees

3.3.1 Employee Notification of Bargaining Unit

The District will notify each new employee covered by this MOU that their classification is part of a bargaining unit represented by the Union, and the name of the representative of the Union. If requested by the employee, the District will provide the employee with a packet of information and an electronic membership application form supplied by the Union.

3.3.2 Union Notification of New Employee Orientation

The District shall provide the Union access to its new employee orientation onboarding process. The onboarding process will provide each new employee their employment status, rights, benefits, duties, and responsibilities, or any other employment-related matters. The Union representative shall be provided at least 30 minutes to meet with the employee during this process. The Union shall receive not less than 10 days' notice in advance of an orientation, except that a shorter notice may be provided in a specific instance where there is an urgent need critical to the employer's operations that was not reasonably foreseeable. The Union shall be provided suitable space on bulletin boards at the work location for posting notices concerning official union business. Such information shall be in compliance with applicable District and departmental policies.

3.4 Certification

The District will rely on a written certification from the Union requesting that the District deduct from employees' salaries or wages an amount equal to the Union's monthly dues or fees authorized by the Union Bylaws. The Union has and will obtain and maintain signed employee authorizations for said wage deductions and will represent to the District that each bargaining unit employee is affirmatively consenting to the dues deductions consistent with federal law. After providing the required certification, the Union will not be required to provide a copy of individual authorizations to the District unless a dispute arises about the existence or terms of the authorization. The Union will, however, each month provide the District with a list of all active Union members and non-members in the bargaining unit.

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3.4.1 Payroll Deductions

The District shall withhold Union dues from the salary of an employee and remit withholdings to the Union, provided that the Union certifies in writing to the District that the Union has and will maintain each employee's authorization for such deductions.

3.4.2 Payroll Deduction Procedures

The effective date of withholdings, time of remitting withholding to the Union, and all procedural matters shall be as mutually acceptable to the Union and the District, provided that the District's payroll system and its operations are not thereby disrupted.

3.4.3 Suspension of Union Dues During Leave of Absence

An employee on unpaid leave of absence for a period of 30 calendar days or more shall not be required to pay Union dues during the period of the employee's leave.

3.5 Change or Cancellation of Deductions

The District will direct employees requesting to discontinue or change Union dues deductions to the Union. The District will rely on information provided by the Union regarding whether the authorization for the Union dues deductions was properly discontinued or changed but will determine for itself if an employee is affirmatively consenting to Union dues deductions.

3.6 Hold Harmless and Union Obligations

The Union shall indemnify, defend, and hold the District harmless against any and all cost of liability resulting from any and all claims, demands, suits, orders, judgments, or other forms of action arising from the operation of this Section or action taken or not taken under these Sections, or from the use of the monies remitted to the Union, including the costs of defending against any such actions or claims. The Union agrees to refund to the District any amounts paid to it in error. In addition, the Union shall hold the District and its commissioners, officers, and employees harmless for following the instructions contained in such dues' deduction authorizations.

The Union shall keep an adequate itemized record of its financial transactions and shall, upon request, make available to the District and to bargaining unit members, within sixty (60) days after the end of its fiscal year, a detailed written financial report in the form of a balance sheet and an operating statement, certified as to its accuracy by its president and treasurer, or corresponding principal officer, or by a certified public accountant.

3.7 Teamsters' D.R.I.V.E. Program

The District will provide payroll deductions for those members who voluntarily elect to participate in the Teamsters' D.R.I.V.E. program (civic engagement for voter registration and political education). D.R.I.V.E., or Democrat, Republican, Independent Voter Education, is the Teamsters' political action committee.

D.R.I.V.E is non-partisan and independent from any political party. D.R.I.V.E. is supported through voluntary contributions from Teamster members. Such donations are

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not U.S. Tax Deductible. The employer agrees to deduct from the paycheck of all employees covered by this agreement voluntary contributions to D.R.I.V.E.

D.R.I.V.E shall notify the employer of the amounts designated by each contributing employee that are to be deducted from their paycheck on a weekly basis for all weeks worked. The employer shall transmit to D.R.I.V.E. national headquarters on a monthly basis, by a single check, the total amount deducted along with the name of each employee on whose behalf a deduction is made, the employee's social security number and the amount deducted from that employee's check.

The Union agrees to hold the Employer harmless from loss of any judgment of a court of competent jurisdiction and from any order of the Labor Commission or agency of government in connection with or arising out of any deduction made pursuant to this Agreement.

3.8 Employee Rights

The Union, on behalf of the Employees it represents, retains all rights granted to it by the Meyers-Milias-Brown Act.

3.9 Union Representatives

Employees who are official representatives of the Union shall be given reasonable time off with pay to attend meetings with management representatives, or to be present at a hearing where matters within the scope of representation or grievances are being considered. The use of official time for this purpose shall be reasonable and shall not interfere with the performance of District services as determined by the District. Such employee representatives shall submit a written request for an excused absence, to the District's General Manager at least two (2) working days prior to the scheduled meeting whenever possible. Except by mutual agreement, the number of employees excused for such purposes shall not exceed one (1) for each site.

3.10 Access to Work Locations

Reasonable access to Employee work locations shall be granted to officers of the Union and their officially designated representatives for the purpose of processing grievances or contacting members of the Union concerning business within the scope of representation. Access shall be restricted so as not to interfere with the normal operations of the department or with established safety of security requirements.

Solicitation of membership and activities concerned with internal management of the Union, such as collecting dues, holding membership meetings, campaigning for office, conducting elections, and distributing literature shall not be conducted during working hours to include regularly scheduled work hours, standby hours, training hours, call back hours, or overtime hours.

3.11 Use of District Facilities

Employees of the Union or their representatives may, with the prior approval of the District's General Manager, be granted use of District facilities for meetings of District Employees provided space is available.

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The use of District equipment other than items normally used in the conduct of business meetings, such as desks, chairs, and dry erase boards, is strictly prohibited, the presence of such equipment in approved District facilities notwithstanding.

3.12 Bulletin Boards

The Union may use portions of the District bulletin boards under the following conditions:

- All materials must be dated and must identify the Union that posted them.
- Unless special arrangements are made, materials posted will be removed thirty-one days after the publication date.

The District agrees to provide bulletin boards in reasonable locations and designate a reasonable portion thereof for Union use. If the Union does not abide by these rules, it will forfeit its right to have material posted on District bulletin boards.

3.13 Advance Notice

Except in cases of emergency as provided below, the Union, if affected, shall be given reasonable advance written notice of any ordinance, resolution, rule, or regulation directly relating to matters within the scope of representation proposed to be adopted by the District. The Union shall be given the opportunity to meet and confer with appropriate management representatives prior to the adoption of such an ordinance, resolution, rule, or regulation. Proper advance notice shall consist of written notice to the designated business agent and union steward. If public safety, public welfare, or an emergency arises that requires any of the above actions to be taken by the District without notice to the Union, the District may take the action while concurrently giving notice that affords the Union a reasonable time in which to meet with management representatives.

3.14 District Rights

The rights of the District, except as modified by this Agreement include, but are not limited to, the exclusive right to determine the mission of its constituent departments, commissions, and board; set standards of service; determine the procedures and standards of selection for employment and promotion; direct its Employees; take disciplinary action; relieve its Employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of governmental operations; determine the methods, means, and personnel by which governmental operations are to be conducted; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and to exercise complete control and discretion over its organization and the technology of performing its work.

3.15 No Discrimination

There shall be no discrimination based on race, creed, color, national origin, sex, sexual orientation, gender identity, or legitimate Union activities against any Employee or applicant for employment by the Union or by the District or by anyone employed by the District; and to the extent prohibited by applicable state and federal law, there shall be no

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discrimination because of age. There shall be no discrimination against any disabled person solely because of such disability unless that disability prevents the person from meeting the minimum standards established, with or without reasonable accommodation.

SECTION 4. SALARIES AND OTHER COMPENSATION

4.1 Rates of Pay (Refer to Appendix A)

Represented employees shall receive wage increases as follows:

- 4.5% of base salary effective the first pay period following July 1, 2023
- COLA%* of base salary effective the first pay period following July 1, 2024
- COLA%* of base salary effective the first pay period following July 1, 2025
- COLA%* of base salary effective the first pay period following July 1, 2026
- COLA%* of base salary effective the first pay period following July 1, 2027

* The annual Cost of Living Allowance (COLA) is based on the Consumer Price Index on December 31st the previous year as published by the U.S. Bureau of Labor Statistics for All items in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted, (https://data.bls.gov/timeseries/CUURS49BSA0&output_view=pct_12mths) with a minimum percentage of 2% and maximum percentage of 5%.

Unpaid leaves (including suspensions) will extend the amount of time between the annual step increases by the length of the leave.

4.2 One-Time Payment

The District will make the following one-time payments to each employee:

- \$1,000 one-time payment effective the first pay period following July 1, 2023
- \$500 one-time payment effective the first pay period following July 1, 2024
- \$500 one-time payment effective the first pay period following July 1, 2025
- \$500 one-time payment effective the first pay period following July 1, 2026
- \$500 one-time payment effective the first pay period following July 1, 2027

4.3 Health Reimbursement Account:

4.3.1 Payments to the Health Reimbursement Account.

The District shall make the following one-time payments into each qualifying employee's Internal Revenue Code Section 115 Health Reimbursement Account Trust, once established.

- \$500 one-time payment upon the establishment of an Internal Revenue Code Section 115 Health Reimbursement Account Trust.
- \$500 one-time payment effective the first pay period following July 1, 2024
- \$500 one-time payment effective the first pay period following July 1, 2025
- \$500 one-time payment effective the first pay period following July 1, 2026

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- \$500 one-time payment effective the first pay period following July 1, 2027

The District shall make the following payments through monthly payments into a qualifying employee's Health Reimbursement Account:

- New Employee:
 - \$8.55 per pay period until December 31, year 9 of continuous employment with the Harbor District.
 - \$38.46 effective January 1, year ten (10) until December 31, year 14 of continuous employment with the Harbor District,
 - \$76.93, effective January 1, year 15 through December 31, year 19 of continuous employment with the Harbor District.
- Current Employees:
 - In addition to the payments listed under "new Employee", each current employee, effective the first pay period following July 1, 2023, will receive one catch-up payment to bring their account current based on the date of hire.

Example 1: A new employee from date of hire to 10 years of continuous employment will receive \$8.55 per pay period. From years 10 to years 14, the monthly payment increases to \$38.46 per pay period, and years 15 through year 19 of continuous, \$76.92 per pay period.

- Existing employees, upon ratification of this MOU, will receive an additional catchup payment in 2023 to bring the HRA up to date and current based on the number of continuous years of employment with the District.

Example 2: An existing employee with 7 years of continuous employment, will receive an initial catch-up payment of \$1,556.10, and \$8.55 per pay period for years 8, 9, and 10.

Example 3: An existing employee with 11 years of employment will receive an initial catchup payment of \$3,222.96, and \$38.46 per pay period for years 12, 13, and 14.

4.3.2 Vesting in the Health Reimbursement Account

- At year 10 of continuous employment from the date of hire, the employee will vest in the funds in the HRA account as of December 31, of year 9.
- At 15 years of continuous employment, the employee will vest in the funds in the account as of December 31 year 14.
- At 20 years of continuous service, the employee will vest in the funds in the account as of December 31, year 19.
- Upon retirement, the employee will vest in the funds in the account on the date of retirement.

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Unvested funds in individual accounts will be returned to the District's account within the HRA Trust upon an employee's separation.

Leave of Absence- An approved leave of absence will not break the years of continuous employment but will not count towards accredited years.

4.3.3 Employees Hired Before January 1, 2009

Employees hired before January 1, 2009 are not eligible to participate in the District's Health Reimbursement Account.

4.4 Additional Pay

Effective the first pay period following July 1, 2023, and each pay period thereafter, the District will provide an amount equal to 3.0% of base salary to each employee's 457 deferred compensation account or to their flexible spending account based on the employee's selection. Selection may take place one time per year, during the calendar year prior to the effective year.

4.5 Salary on Temporary Promotion

An Employee assigned to a higher classification to fill a vacancy caused by sick leave or other absence, and who serves in said higher classification for fifteen (15) consecutive workdays, shall thereafter be paid the salary, of the higher at the same step of the employee's previous classification. The employee shall receive this salary beginning with the sixteenth (16) consecutive workday and continuing as long as the employee continues to serve in said higher classification and shall be entitled to receive increases within the range for the position as though the employee had been appointed on the day the employee began to receive the salary designated for the position. The fifteen (15) day waiting period shall apply each time a regular employee is assigned to a higher classification.

4.6 Overtime Authorization

The District's General Manager or a designated representative must authorize all overtime suffered or permitted in writing in advance of being worked where reasonable and practical. The employee's immediate supervisor shall be notified prior to approval of any overtime.

Overtime shall be compensated at the rate of one and one-half times the Employee's hourly rate of pay. Changes in a regularly scheduled workweek shall not in itself cause or incur overtime. EIB shall be counted as time worked when calculating overtime.

An employee may elect to convert overtime hours worked to compensatory time off ("COMP TIME"). Each hour of overtime may be converted to 1.5 hours of COMP TIME. Each hour of overtime worked on a holiday may be converted to 2 hours of COMP TIME.

The District will establish a regular and recurring workweek for each Employee. The beginning time and day of the week of each Employee's workweek will appear on a schedule posted by the District.

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4.7 Call Back

Any time an Employee is called back to work outside of regular work hours, the employee shall receive PTO for all hours worked, with a minimum of three (3) hours credit even though less time may have been worked. If the call back results in the employee exceeding 40 hours in the work week the PTO shall be credited at the rate of 1.5 hours PTO per hour of call back, always subject to the 3 hour minimum described above.

Continuation of work beyond a previously scheduled work period is not deemed to be a call back.

4.8 Flextime:

Flextime may be approved by an employee's immediate supervisor, provided no single shift exceeds ten (ten) hours.

SECTION 5. PROMOTION STANDARD

5.1 Probationary Period

5.1.1 Initial Probation: All original appointments shall be subject to a probationary period lasting not less than twelve (12) months of actual service and may be extended by the District for a period not to exceed six (6) additional months, or as provided in Section 5.2.

During the initial probationary period an employee may be rejected at any time by the General Manager without cause and without the right of appeal.

The department head or facility manager shall evaluate the performance of the probationary Employee and shall submit an evaluation report to the General Manager at the end of the third and sixth month of the Employee's probationary period, or more frequently if desired by the facility department head or facility manager or General Manager.

5.1.2 Promotional Probation: All promotional appointments shall be subject to a probationary period lasting not less than six (6) months of actual service in the position to which the Employee' has been promoted and may be extended by mutual agreement not to exceed six (6) additional months, or as provided in Section 5.2.

An employee who fails the promotional probationary period as determined by the General Manager, shall be returned to the lower job class, and the reason(s) for failing the promotional probation shall be provided to the Employee in writing. There shall be no appeal of the General Manager's decision to fail a promotional probation.

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5.2 Training

During or before any probationary period, the employee is expected to obtain the training and qualifications necessary to be promoted to the position as a regular permanent Employee to which the probationary appointment was made.

Any employee who, through no fault of the employee, fails to complete a scheduled required course or who is unable to schedule a required course within the time frame that would permit normal advancement, shall not be penalized for said non-completion. Alternative training may be provided at the discretion of the District to meet the training requirement. Additionally, the Employee shall be advanced to the next pay level for a six (6) month period, which shall also be a probationary period.

If an employee is still unable to schedule a required course through no fault of the employee, and has otherwise successfully completed the probationary period, the employee shall remain in the probationary status for an additional period not to exceed six months or until such time as the employee can schedule the required course or courses.

The total time of the "probationary period" provided to schedule and complete required training shall not exceed 12 months. Advancement from probationary status shall be conditioned upon successful completion of all required courses. Should the Employee not complete the course or courses successfully within 18 months of promotion (a provisional probationary status), the employee shall be rejected from the probationary status and return to the lower job class. This does not constitute a disciplinary action on the part of the District, and there is no right of appeal for rejection from the promotional probationary status.

The District shall pay the direct costs of required training courses including approved alternative training, tuition, books, lodging, food, travel, etc., for each employee.

The District shall work with its managers and employees to establish a roster of training courses, which would benefit the employees and the District. Once an employee has undertaken and passed all courses required by the District for advancement purposes, additional courses may be established for continuing education, enrichment, and other reasons to the benefit of the District and the employee.

5.3 Evaluations: Performance Reviews

Department heads of an Employee shall complete annual Employee performance reviews just prior to Employee's anniversary date of hire or promotion as applicable or otherwise consistent with Section 17.03 of the District's Personnel Rules and Regulations.

Notwithstanding any other provisions of this Memorandum of Understanding, an employee's promotion or advancement from probationary status or from any other employment status as defined by the Harbor District Personnel Rules and

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Regulations, shall be conditioned upon a satisfactory performance review for the year or probationary period preceding the date upon which promotion or advancement would otherwise occur.

Performance reviews will include an evaluation of the achievement of performance goals agreed upon by the employee and the employee's supervisor at the start of the work period to which the performance review applies. Reviews shall be completed within thirty (30) days of the due date, or the performance review shall be deemed satisfactory, unless the delay is due to unforeseen circumstances. If the latter occurs, an additional thirty (30) days will be provided for completion of the performance review. If the performance review is still not completed after the additional thirty (30) day period, i.e. sixty (60) days after the due date, the review shall be deemed satisfactory.

No Employee shall be adversely affected if the employee's performance review is not completed in a timely manner as provided for elsewhere in this section.

5.4 Pay Basis For Benefits and Contributions

In the event of adjustments to the salary level, adjustments shall be used as the basis for CalPERS and any other plan that utilizes earnings as the basis for contributions.

SECTION 6. HEALTH AND WELFARE AND INSURANCE

6.1 Medical

Upon adoption of this MOU the District shall pay to the Teamsters Union Local No. 856 Health and Welfare Trust Fund, for each employee who worked eighty (80) or more hours in the preceding calendar month, the contribution cost established by the trustee of the Trust which will provide active employees with the following benefits pursuant to and in accord with Benefit Plans maintained by the Teamsters Union Local No. 856 Health and Welfare Trust Fund

All employees who worked eighty (80) or more hours in the preceding calendar month shall pay through payroll deduction to the Teamsters Union Local No. 856 Health and Welfare Trust Fund seven percent (7%) of the contribution cost established by the trustee of the Trust which will provide active employees with the following benefits pursuant to and in accord with Benefit Plans maintained by the Teamsters Union Local No, 856 Health and Welfare Trust Fund.

Select Plan Dental 2 (AA) Ortho
Vision No/DED Drugs
Life/AD&D (\$50,000)

Represented employees' medical plan will be Teamsters Trust Health and Welfare Fund "Select Plan Tiered" with the associated provisions of said plan. There will be no change to Dental, Vision or Life/AD&D plans. The parties agree to meet each July and review the

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cost of coverage under the Tiered Rate and Composite Rate and explore opportunities for cost containment.

Any regular, full-time employees who provide evidence of alternative health and medical insurance may opt to withdraw from the District's health and medical insurance program. If the District will affect savings as a result of not having to pay premiums for these employees who withdraw from the program, fifty percent (50%) or \$765.00, whichever is less of such savings shall be returned to the individual in the form of a bonus payable concurrent with regular payroll.

6.2 Medical Examination of Employees Fitness for Duty Examination

If the General Manager has reason to believe that an employee is not mentally or physically competent to perform assigned duties, or may represent a risk to coworkers or the public, the General Manager may require the employee to undergo a fitness for duty examination and to present a written report from a physician designated by the General Manager certifying the employee's mental or physical competency to perform his or her essential job duties, with or without reasonable accommodation.

6.2.1 Disability Accommodation

An employee who has a mental or physical disability and cannot be reasonably accommodated, based upon a physician's medical opinion and an interactive process with the Employee, may appeal to the General Manager within ten (10) days of the date of a written notice of inability to accommodate. The General Manager shall appoint a medical specialist not in the District service to conduct a second fitness for duty evaluation and to report the findings in writing. Subject to budget limitations, this evaluation shall be conducted at the cost of the District. The General Manager will review the findings of the medical specialist, conduct a further interactive process with the employee as warranted by the second fitness for duty report, and will determine whether the employee's disability can be reasonably accommodated. The General Manager will provide the employee written notice of the determination on the appeal.

6.2.2 Appeals

Failure to appeal within the appeal periods provided above shall constitute a waiver of appeal rights.

6.2.3 Limited Duty

An employee who has a disability that the General Manager had determined cannot be accommodated, or an employee whose appeal under this section has been denied, may request the District to provide an employment accommodation for limited duty consistent with applicable laws for a period of time not to exceed ninety (90) days.

At the conclusion of the period of limited duty, the Employee shall undergo a fitness for duty examination by a physician who shall be selected by the General Manager from a list of three physicians provided by the San Mateo County Medical Association and reviewed by the General Manager and Teamsters Union Local No. 856. The physician so selected shall be agreeable to both the General Manager and Teamsters Union Local No. 856.

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After reviewing the physician's fitness for duty report and conducting any further interactive process with the employee as warranted by the report, the General Manager will determine whether the District can reasonably accommodate the employee in his or her original job position.

If the employee cannot be accommodated in the original job position, and the District is unable to provide a permanent, non-limited duty employment accommodation, the General Manager shall give notice of intent to terminate employment, and if the employee has sufficient years of service accrued, the employee may simultaneously apply for disability retirement through the Public Employees Retirement System.

The Employee has the right to appeal any final notice to terminate employment through the discipline appeal procedure of this MOU.

SECTION 7. CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CaPERS)

For Classic members, the District contracts with CalPERS to provide 2.5% at age 55 with 3-year final compensation for Local Miscellaneous members retirement plan.

For PEPRAs members, the District contracts with CalPERS to provide 2% at age 62 with 3-year final compensation for Local Miscellaneous member's retirement plan.

The District shall contribute to CalPERS at the rate required by law and the plan to maintain the Employer's contributions.

Contributions made pursuant to this section on behalf of the Employee shall be reported to CalPERS as "employee contributions being made by the contracting agency". The District will not treat these contributions as compensation subject to income tax withholding unless the Internal Revenue Service or Franchise Tax Board determine that such contributions are taxable and require the District to do so.

Each Employee is solely and personally responsible for any federal, state, or local tax liability of the Employee that may arise out of the implementation of this section of any penalty that may be imposed as a result.

Employees shall pay, through payroll withholding, the full employee's share of CalPERS as determined by CalPERS; the District shall not pay any portion of the required employee contribution.

SECTION 8. TIME OFF ACCRUAL SYSTEM

8.1 PTO and EIB

PTO and EIB hours accrue on a bi-weekly pay period. The accrual rates for PTO shall be as follows:

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Years of Service	Hourly Accrual	Per PP Accrual (Hrs)	Annual Accrual (Days)
0-5	0.0770	6.16	20
5-10	0.0962	7.70	25
10-15	0.1154	9.23	30
15-20	0.1250	10.0	32.5
20 +	0.1346	10.77	35

PTO can be carried over from year to year. The District shall keep a separate accounting of COMP TIME. An employee can bank a maximum of 60 (sixty) hours of COMP TIME. COMP TIME not used by the last pay period of the fiscal year will be paid out to the employee in regular payroll. All overtime worked in the last pay period of the fiscal year will be paid as overtime. An employee will stop earning PTO once the employee has accrued 480 hours.

Eligibility for PTO begins with the first day of employment in a regular, full-time status.

8.2 Holidays

Regular full-time employees shall be entitled to observe all authorized holidays at full pay, not to exceed eight hours for any single (1) day. A holiday shall be defined as eight (8) hours of paid time off for regular full-time employees, regardless of whether an employee is on an alternative or flexible work schedule.

The following are authorized holidays:

11 Holidays (as listed below) plus Three floating holidays

New Year's Day	January 1st
Martin Luther King Day	3rd Monday in January
President's Day	3rd Monday in February
Memorial Day	Last Monday in May
Juneteenth	June 19
Independence Day	4th of July
Labor Day	First Monday in September
Veteran's Day	November 11th
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving	4th Friday in November
Christmas Day	December 25

If any of the above holidays fall on a weekend (Saturday or Sunday), the holiday shall be celebrated on the date determined by the federal or state government. Employees may elect to substitute any other recognized holiday for Christmas Day. Such substitution must be requested at least fourteen (14) days in advance and approval obtained from the employee's supervisor.

8.3 Extended Illness Bank

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EIB accrual rates shall be equivalent to 3.08 hours biweekly. There is no maximum number of EIB hours that may be accumulated. EIB hours accrued may be converted to service credit as permitted by law. In no event may an employee receive cash out of EIB at any time.

EIB may be used when an Employee or family member is in one of these circumstances:

-Any absence to care for self or family member suffering from a short-term illness or injury that results in two or more days away from work with accepted medical provider's verification of illness/injury of employee or family member, or

-The employee applies, qualifies, and is determined to be eligible for Family Medical Leave Act (FMLA) or CFRA and is:

Medically absent from work of one (1) week (50% of the scheduled hours in a pay period) with accepted medical provider's verification of illness/injury of employee or family member; or

When employee or family member is admitted to a hospital or has a surgical procedure performed in a hospital or a surgery center and cannot return to work per medical direction or employee must care for a family member; and an accepted medical provider's verification is submitted; or

-Qualifies for State Disability; or

-Is eligible for Workers' Compensation benefits.

EIB may not be used for regular or routine medical or dental appointments for self or family members.

8.4 Emergencies

Employees not able to report to work because of an emergency must advise their supervisor at the earliest possible time of their inability to report to work.

8.5 Requests for Scheduled PTO

Accrued PTO will be granted upon approval by the Employee's Manager. Unless otherwise agreed, the Employee must request PTO at least fourteen (14) days in advance. Requests for PTO in excess of fourteen (14) days should be made at least thirty (30) days in advance. Requests shall not be unreasonably denied. Employees using PTO for personal emergencies or other situations where scheduling is impractical shall notify their supervisor at the earliest possible time of their inability to work.

8.6 Payment of PTO and EIB

The pay rate for time provided under this section (PTO and EIB) shall be at the straight time rate of pay exclusive of differentials and shall be payable on the same bi-weekly schedule as regular earnings, except that PTO earned after forty (40) hours of work in a

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workweek shall be paid at the employee's hourly rate. PTO and EIB paid in regular paycheck according to the Employee's regularly scheduled number of hours of work not to exceed either (80) hours in any such pay period.

Employees who work a District holiday listed in this section shall continue to receive holiday compensation regardless of which shift the Employees work at the rate of overtime as specified in Section 4.1 and Section 8.2

Requests for advance payment of accrued PTO shall be for an amount equal to or less than eighty (80) hours, but in no case shall cash advances on an Employee's PTO bank exceed a maximum of one hundred sixty (160) hours per calendar year, consistent with District Policy 6.3.5 as amended by Resolution 33-99.

When an employee elects to take PTO or EIB benefits for a day when also receiving State Disability or Workers' Compensation benefits, the District's payment shall be integrated with those benefits so that the total payment for such day equals but does not exceed the Employee's hourly rate of pay for scheduled hours.

Upon separation from the District or retirement, all PTO hours accrued and unused will be paid to the Employee. EIB hours will not be paid upon termination. If an Employee leaves the District's employ for less than one (1) year and returns to eligible status, EIB hours accrued prior to the Employee's departure shall be reinstated.

8.7 Leave of Absence

The General Manager may grant regular permanent employees a Leave of Absence without pay for a period not to exceed one (1) year, when such leave and the reasons therefore is requested by the employee in writing. A Leave of Absence without pay will not become effective until such time as all accumulated PTO is taken.

The Employee shall return to work promptly on completion of the leave. Failure to do so will subject the Employee to termination of employment. Service credits and benefits shall not accrue while the Employee is on a Leave of Absence without pay.

8.8 Jury Duty

An employee summoned to jury duty shall inform the employee's supervisor and, if required to serve, may be absent from duty with full pay; provided, however, the Employee must remit to the District, within fifteen (15) days after receipt, all fees received except those specifically allowed for mileage and expenses, and the employee shall provide the District with written proof of having attended jury duty. When the employee is released from jury duty any day before noon, the employee shall report to work promptly for the balance of employee's scheduled shift or workday.

The District recognizes the civic duty of an Employee to serve on an impaneled jury. Time actually served on a jury shall not be charged against PTO.

8.9 Voting

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The District recognizes the civic duty of an employee to vote. Two (2) hours of paid time off will be granted for voting and will not be charged against PTO, provided that the employee provides the District with written proof of having voted; such proof may include the voting stub from the employee's ballot.

8.10 Military Duty

The District recognizes the civic responsibility of an employee to serve in the Reserve and National Guard Components. Compulsory Military Reserve or National Guard leave for regular scheduled summer training periods shall be granted in accordance with the laws of the State of California and the Federal Government. Employees called to active duty during periods of declared state or federal emergency shall be granted the appropriate leave of absence.

The District will accommodate the drilling requirements of the Employee when scheduling the Employee's work periods, as required by law.

8.11 Maternity Leave

The District shall grant maternity leave in accordance with the laws of the State of California and the Federal Government. Should the District develop a Maternity leave plan more liberal than that required by the State of California or the Federal Government, the more liberal plan will apply.

8.12 Family Care Leave

The District shall grant family care leave in accordance with the laws of the State of California and the Federal Government. Should the District develop a Family Care Leave plan that is more liberal than that required by the State of California or the Federal Government, the more liberal plan will apply.

8.13 Industrial Disability Leave

Employees who suffer any disability arising out of and in the course of their employment, as defined by the Workers' Compensation Laws of the State of California shall be entitled to disability leave while so disabled for the period of such disability to a maximum of one (1) year, or retirement, whichever occurs first. Compensation benefits shall be determined and paid in accordance with the Workers' Compensation Laws of the State of California. Integration of PTO and Workers' Compensation will be in accordance with the Laws of the State of California and shall accommodate the employee, if permitted by Law. The District reserves the right to withhold payment of any disability benefits until such time as a determination is made whether or not the illness or injury is covered by Worker's Compensation.

8.14 Bereavement Leave

All regular full-time or regular part-time employees who have a member of the employee's immediate family taken by death shall receive up to three working days off with pay, regardless of shift as bereavement leave. In the event of activities out of state, such employee will be granted up to five (5) working days off with pay.

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If additional time is necessary, it shall be taken as PTO or unpaid leave if PTO has been exhausted with advance authorization by the appropriate Department Head.

8.15 Notification of Supervisor

The employee must notify the employee's immediate supervisor upon making determination to take bereavement time off work.

SECTION 9. SEVERANCE

In the event that the Employee is terminated from the employ of the District because of a reduction in force, general lay-off, dissolution of the District, or other similar, non-disciplinary reason beyond the control of the Employee, said Employee shall be entitled to Severance Pay as follows:

For each year of service, the Employee shall receive an amount equal to two (2) weeks' pay, to a maximum of one (1) years pay for twenty-four (24) years' service. The Severance pay shall be computed at the highest salary achieved by the Employee over the last three (3) years of service.

The employee shall receive all accumulated PTO.

The District will provide professional placement services to the Employee as necessary to place Employee in a similar or superior position, for a period not to exceed six (6) months.

SECTION 10. LAYOFF AND RE-EMPLOYMENT

Whenever, in the judgment of the Harbor Commission it becomes necessary in the interest of the economy or because the necessity for the position involved no longer exists, the Harbor Commission may abolish any position or employment with the District and layoff, reassign, demote, or transfer an employee holding such position or employment without filing written charges. The General Manager may likewise layoff an employee of the District because of material change in duties or organization or shortage of work or funds.

Seniority - For the purpose of layoff is defined as length of continuous full-time employment within the service of the District, except for service in a provisional and temporary status. Seniority shall be retained but shall not accrue during any period of leave without pay, except for authorized military leave, granted pursuant to State Military and Veterans Code.

Order of Layoff - When one or more employees performing in the same class in the District are to be laid off (provisional and temporaries therein having already been terminated), the order of layoff shall be as follows:

- Probationary employees in inverse order of seniority.

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- Permanent employees in inverse order of seniority. Should two or more employees have identical service seniority, the order of layoff will be determined by classification seniority.

Notice of Layoff -Employees shall be forwarded written notice, including reasons therefore, by Certified Mail, Return Receipt Requested or Personally Served, a minimum of twenty (20) working days prior to the effective date of layoff. An employee receiving said notice may respond in writing to the General Manager. The employee's representative shall receive concurrent notice, and upon request, shall be afforded an opportunity to meet with the District to discuss the circumstances of layoff and any proposed alternatives that do not include the consideration of the merits, necessity, or organization of any service or activity.

The provisions of subsection (c) must be requested by the Employee, in writing fifteen (15) working days prior to the effective date of layoff.

Probationary and permanent employees who are reclassified and/or demoted as a result of a reduction in force, shall have their names placed on a classification reinstatement list in order of their seniority.

Vacant positions within the classification shall first be offered to employees on this list.

Employees who are laid off shall have their names placed on a re-employment list of classifications, which, in the opinion of the General Manager requires basically the same qualifications and Duties and responsibilities as those of the classifications from when the layoff occurred, in order of seniority. Vacant positions in such classifications shall be offered to eligible candidates on the re-employment list that qualify for such vacancies prior to an open or promotional recruitment.

No name shall be carried on a reinstatement or re-employment list for a period longer than two years. Refusal to accept the first offer of reinstatement or reemployment within the same classification shall cause the name to be dropped from the list. Individuals not responding to written notification, by certified mail, return receipt requested, forwarded to their last given address, of an opening within ten (10) ten working days from mailing shall have their names removed from either a reinstatement or reemployment list. Individuals who do not meet current employment standards (i.e. medical, licenses, etc.) shall have their names removed from either a reinstatement or re-employment list.

Probationary employees appointed from a reinstatement or re-employment list must serve the remainder of their probationary period in order to attain permanent status.

SECTION 11. DISCIPLINE

The District shall reserve the right to discipline any Employee, up to and including suspension or discharge, for reasons stipulated and defined in the Personnel Policies

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and Procedures of the District. The reasons shall include, but not be limited to: Violation of major safety rules or regulations, commission of a felony, failure to carry out a lawful order, willful negligence, willful destruction of District property, and other charges and specifications involving safety of life or property. Action may be taken by the District against Employees for individual or group slowdowns or work stoppages, engaging in unlawful strikes, refusal to work when assigned, or for violation or ordering the violation of District rules of this MOU. The District must send the Union notice of any such discipline within thirty-six (36) hours by fax and certified mail.

11.1 Appeals

If an Employee feels that the employee had been unjustly disciplined, the employee shall have the right to appeal the employee's case through the grievance procedure. Such appeal must be filed with the General Manager by the Employee or the Union in writing and within five (5) business days from the date of notice of the discipline, and unless so filed, the right of appeal is lost. Any disciplined Employee shall be furnished the reason for discipline in writing along with any supporting documentation.

11.2 Personnel Files

An Employee, or an Employee's representative designated in writing by the Employee, shall have access to the Employee's personnel file upon request.

SECTION 12. GRIEVANCES

A grievance shall be defined as any dispute arising during the term of this MOU that involves the interpretation or application of any provision of the MOU during this term, or the appealed discipline against an Employee. Any District Ordinance, Resolution, Rule and Regulation, the subject of which is not specifically covered by the MOU or which does not have a direct impact upon the grievant's terms and conditions of employment is not subject to grievance. Employees have the same rights as other citizens to discuss the District Ordinances, resolutions, Rules and Regulations at public hearings and forums convened for that purpose.

12.1 Grievance Procedure

Grievances shall be heard and resolved according to the following procedure: Any Employee who believes that the employee has a grievance shall first discuss said grievance with the Employee's immediate supervisor. Should the immediate supervisor not resolve the issue, the Employee may directly approach the Employee's department head or site manager for discussion and possible resolution of the grievance. This procedure should be instituted in a timely manner, generally no later than ten (10) business days of the aggrieved incident.

If the grievance is not satisfied at the site or department level, the Employee shall submit the grievance directly to the General Manager, in writing, who shall be required to respond to the same within fifteen (15) business days. The General Manager shall respond to the aggrieved Employee, and advise the employee that the incident is being investigated.

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The General Manager shall be required to adjust any grievance submitted to the General Manager's attention within one (1) month of receipt. Should the grievance not be adjusted to the satisfaction of the Employee, the Employee has the right of final appeal to the Board of Harbor Commissioners convened in a regular or special meeting, provided that the Employee appeals in writing to the Board of Harbor Commissioners within seven (7) business days of receipt of the General Manager's decision. Except for the requirement that grievance hearings be held at a regular meeting, the provision of District Rule 14.06 applies to the grievance hearing process. The decision of the Board shall be final.

Employees have the absolute right to Union representation at all levels of the grievance procedure. No grievance resolution shall be made that violates the specific terms and conditions of employment as provided in the MOU without the agreement of the Union.

12.2 Pay Claims

All complaints involving or concerning payment or compensation shall be filed in writing within thirty (30) days of occurrence.

SECTION 13. DISTRICT'S PERSONNEL POLICIES AND PROCEDURES

The District's General Manager and Board of Harbor Commissioners are in the process of updating and systematizing the Personnel Policies and Procedures of the District, insofar as possible, standardized procedures will be developed that will apply to all employees, including those covered by this MOU.

The General Manager shall inform the Union of any proposed changes to existing policies as detailed in Section 2.15. Upon such notification or upon the Union claim that such proposed changes are negotiable as defined by applicable law, the District agrees to "meet and confer" or "meet and consult" to the full extent of the law prior to such changes being implemented for represented employees.

The District may choose to modify its nomenclature and/or policies regarding the following terms: Paid time off (PTO), Overtime, Extended Illness Bank (EIB), Sick Leave, and Compensatory Time Off. The intent of the District in this regard would be to facilitate more effective District budget preparation, review, and monitoring of current and proposed expenditures for the above-mentioned items, and not to reduce the current levels of Employee benefits. Consistent with the provisions of this section, and upon execution of this Memorandum of Understanding (MOU) by the District and the Union, the District shall meet and confer upon such proposed changes with the Union as required by applicable law and this MOU.

SECTION 14. OUTSIDE EMPLOYMENT

No regular, full-time Employee shall engage in employment that constitutes a conflict of interest for the Employee or the District. No Employee shall engage in outside employment during the employee's working hours. No item of the uniform that identifies

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that Employee as an Employee of the District, shall be worn while in the employment of someone other than the District.

All outside employment requires the approval of the General Manager. The Employee shall submit requests for outside employment in writing to the General Manager. The General Manager shall discuss said outside employment with the Employee to determine the potential for conflict of interest. Approval shall not be unreasonably withheld.

Employees shall not carry on, concurrently with their public employment, any other employment, business or undertaking that conflicts or interferes with their District employment.

Under no circumstances shall an employee be authorized to perform any function related to outside employment or activities during working hours.

During the term of this Agreement, should any other bargaining unit in the district receive any wage or benefit enhancements that exceed those contained in this agreement, Teamsters Union Local No. 856 bargaining unit shall receive such wages or benefits retroactive to the date such wages or benefits went into effect.

SECTION 15. SEPARABILITY OF PROVISIONS

Should any section, clause or provision of this MOU be declared illegal by final action of a court of competent jurisdiction, such invalidation of such section, clause or provision shall not invalidate the remaining portions hereof, and such remaining section, clauses and provisions shall remain in full force and effect for the duration of this MOU.

Upon such validation, the parties agree to meet and confer concerning substitute provision for those rendered or declared illegal.

SECTION 16. PAST PRACTICES

Continuance of working conditions and practices not specifically authorized by Ordinance or Resolution of the Board of Harbor Commissioners is not guaranteed by this MOU.

SECTION 17. PRIOR MOUs

This MOU shall supersede all existing and prior Memoranda of Understanding between the District and the Union.

SECTION 18. POSTING

The District shall post the MOU on the District's website.

Signatures on the following page.

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Made and entered into this 27th day of July, 2023

Teamsters Union Local No. 856



Secretary/Treasurer

San Mateo County Harbor District



General Manager



Business Agent